

Marlbank Recreation Association
P.O. Box 278
Yorktown, VA 23692
April 12, 2004

Mr. James McReynolds
County of York Administrator
P.O. Box 532
Yorktown, VA 23690

Re: Application for Tax Exemption under VA Code 58.1-3651

Dear Mr. McReynolds:

The cited statute is entitled "Property exempt from taxation by classification or designation by ordinance adopted by local governing body on or after January 1, 2003." A copy of this statute section is attached.

The Marlbank Recreation Association, by unanimous action of its board, requests that the County grant it a property tax exemption for the year 2004 and beyond. The properties are:

1. Number 24-00-00-281A - 115 Old Landing Road
2. Number 19C-05-0L-017 - 107 Old Landing Road
3. Number 24-00-00-281B - 111 Old Landing Road
4. Number 19C-01-0E-017A - 107 Harbour Drive

We qualify by providing benevolent, park, playground, and community service activity through MRA actions and activities. We provide a service to the Marlbank Farm community which is nearly identical to many homeowners associations which are tax exempt under the Code of Virginia section 58.1-3284.1. We have not qualified because we were founded prior to the statute's enactment in 1985 and therefore, did not have automatic membership qualifications deeded in the Marlbank Farm properties. However, the Marlbank Recreation Association deed is restricted so that asset obtained by disposal of any of its property accrue back to the local residents, not the organization.

The MRA relates to the questions for consideration specified in 58.1-3651 section b) as follows:

1. We are a 501(c)(7) organization. Attached is the IRS Form 990 for 2002. Parts III states specifically the type of program services which we provide and by which we qualify. We are incorporated in the State of Virginia.
2. We don't have a Virginia State Liquor license but for private adult parties for members and guest, we do provide alcoholic beverages.
3. No officers or directors are salaried or paid for their services although we do reimburse for out-of-pocket expenses. A CPA accountant provides payroll services at cost.

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**COUNTY ATTORNEY
YORK COUNTY, VIRGINIA**

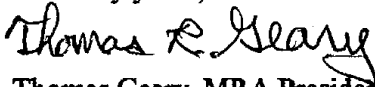
5. Form 990 Part III provides a description of our program service. We provide activities for youth and adults in the neighborhood. The properties - the building, pool, playground, ball field, tennis courts and pier slips - provide services duplicated in part by the county. They reduce the county's burden while enhancing county's property values.
6. Our operating policies restrict political activity. On a nonpolitical basis, we do provide meeting space for political organizations.
7. Other relevant factors:
 - a. Our bylaws contain a nondiscrimination clause and has since the 1970s. We accept as members, as our deed from Mr. O'Hara requires, any residents of Marlbank Farm who wish to join as a full, social or community members. We accept associate members from outside the Marlbank Farm community who wish to participate in summertime swimming pool and swim team activities.
 - b. Quoting from Code of Virginia 58.1-3284.1 which established tax exemption for automatic membership corporations (read homeowners associations):

"All real property used for open or common space pursuant to this section shall be construed as having no value in itself for assessment purposes. Its only value lies in the value that is attached to the residential or commercial property which has a right by easement, covenant, deed or other interest."

The MRA's real value to York County is by providing services which enhances the property attached to it - the Marlbank Farm and the York community to which we make our services available. Unlike automatic membership corporations, we must continue to provide a valuable service or cease-to-be.

We request the County of York to favorably consider this application. We will be glad to supply any additional information needed in your deliberations.

Sincerely yours,


Thomas Geary, MRA President

cc: James Barnett, County Attorney
Marycarol White, Dir. Fin. & Man. Services
Walter Zaremba, Board of Supervisors
att: VA Code 58.1-3651
MRA IRS Form 990 - Year 2002.

Part II Statement of Functional Expenses

All organizations must complete column (A). Column (B) is required for section 501(c)(27) and all organizations and section 501(c)(29) nonexempt charitable trusts (see instructions for others. (See page 24 of the instructions.)

(Do not include amounts reported on line 6b, 6c, 8b, 10b, or 16 of Part I)	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc.				
26 Other salaries and wages	19,929.62			
27 Pension plan contributions	0			
28 Other employee benefits	0			
29 Payroll taxes	182.00			
30 Professional fundraising fees	0			
31 Accounting fees	50.00			
32 Legal fees	0			
33 Supplies	2,952.30			
34 Telephone	645.89			
35 Postage and shipping	162.81			
36 Occupancy	3402.15			
37 Equipment rental and maintenance				
38 Printing and publications	434.02			
39 Travel				
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)				
43 Other expenses not covered above (attach schedule)	5551.06			
b SOCIAL ACT. EXP.	14,193.40			
c POOL RENOVATION	127,349.06			
d MISC	27.34			
44 Total functional expenses (see Part I through 43. Organizations completing columns (B)-(D) only show total in lines 42-43.)	215,450.94			

Joint Costs: Check ☐ if you are following SOP 96-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☐ No

If "Yes," enter (a) the aggregate amount of these joint costs \$ _____; (b) the amount allocated to Program services \$ _____;

(c) the amount allocated to Management and general \$ _____; and (d) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See page 24 of the instructions.)What is the organization's primary exempt purpose? **RECREATIONAL & SOCIAL**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(27) and (d) organizations and 501(c)(29) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses (Amount for 501(c)(27) and (d) orgs. and 501(c)(29) nonexempt charitable trusts. Do not include in total.)

a BUILDING - 10 RENTAL INCLUDING 6 FOR COMMUNITY ORGA. (HICKMAN FIRE & DANCE WOMAN'S CLUB, POL. ORG.) CLUB SCOUT TROOP, COMMUNITY JAIL FOR MENTINES

(Grants and allocations) \$

b SOCIAL ACT. 4 ADULT & 6 YOUTH - 3 FOR RES. MARLBOROUGH RESIDENTS, YOUTH INCLUDE POOL PARTIES, FOOD BANK DRIVE CAROLINE, ETC.

(Grants and allocations) \$

c POOL - SWIM TEAM SPONSOR OVER 100 AGES 5-18 SWIMMATION FOR LOCAL CHARITY, 4 TALK POOL PARTIES

(Grants and allocations) \$

d

(Grants and allocations) \$

* Other program services (attach schedule)

(Grants and allocations) \$

f Total of Program Service Expenses (should equal line 41, column (B), Program services)

Part IV Balance Sheets (See page 24 of the instructions.)

Note: Where required, attach schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets			
45	Cash—non-interest-bearing	4480.59	377.46
46	Savings and temporary cash investments	14247.94	43005.18
47a	Accounts receivable	47a	47c
b	Less: allowance for doubtful accounts	47b	
48a	Pledges receivable	48a	48c
b	Less: allowance for doubtful accounts	48b	
49	Grants receivable		49
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50
51a	Other notes and loans receivable (attach schedule)	51a	51c
b	Less: allowance for doubtful accounts	51b	
52	Inventories for sale or use		52
53	Prepaid expenses and deferred charges		53
54	Investments—securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
55a	Investments—land, buildings, and equipment basis	55a	55c
b	Less: accumulated depreciation (attach schedule)	55b	
56	Investments—other (attach schedule)		56
57a	Land, buildings, and equipment basis	57a	57c
b	Less: accumulated depreciation (attach schedule)	57b	
58	Other assets (describe <input type="checkbox"/>)		58
59	Total assets (add lines 45 through 58) (must equal line 74)	14688.43	43376.64
Liabilities			
60	Accounts payable and accrued expenses		60
61	Grants payable		61
62	Deferred revenue		62
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63
64a	Tax-exempt bond liabilities (attach schedule)		64a
b	Mortgages and other notes payable (attach schedule)		64b
65	Other liabilities (describe <input type="checkbox"/> BANK LOAN)	149169.00	143,271.30
66	Total liabilities (add lines 60 through 65)		66
Net Assets or Fund Balances			
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
67	Unrestricted		67
68	Temporarily restricted		68
69	Permanently restricted		69
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
70	Capital stock, trust principal, or current funds	14688.43	43376.64
71	Paid-in or capital surplus, or land, building, and equipment fund		71
72	Retained earnings, endowment, accumulated income, or other funds		72
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 59; column (B) must equal line 21)	14688.43	43376.64
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	296057.44	186648.14

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-B	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
1.	Expenses per audited financial statements
2.	Less: Expenses per return
3.	Net difference
4.	Reason for difference
5.	Amount of difference
6.	Signature of preparer
7.	Date

<p>a Total revenue, gains, and other support per audited financial statements. ▶</p> <p>b Amounts included on line a but not on line 12, Form 990:</p> <p>(1) Net unrealized gains on investments \$</p> <p>(2) Donated services and use of facilities \$</p> <p>(3) Recoveries of prior year grants \$</p> <p>(4) Other (specify):</p> <p>\$</p> <p>Add amounts on lines (1) through (4) ▶</p>	<p>a NA</p>	<p>a Total expenses and losses per audited financial statements. ▶</p> <p>b Amounts included on line a but not on line 17, Form 990:</p> <p>(1) Donated services and use of facilities \$</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$</p> <p>(3) Losses reported on line 20, Form 990 \$</p> <p>(4) Other (specify):</p> <p>\$</p> <p>Add amounts on lines (1) through (4) ▶</p>	<p>b NA</p>
<p>c Line a minus line b. ▶</p> <p>d Amounts included on line 12, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$</p> <p>(2) Other (specify):</p> <p>\$</p> <p>Add amounts on lines (1) and (2) ▶</p> <p>Total revenue per line 12, Form 990 (line a plus line d) ▶</p>	<p>c</p>	<p>c Line a minus line b. ▶</p> <p>d Amounts included on line 17, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$</p> <p>(2) Other (specify):</p> <p>\$</p> <p>Add amounts on lines (1) and (2) ▶</p> <p>Total expenses per line 17, Form 990 (line c plus line d) ▶</p>	<p>c</p>

Part V List of Officers, Directors, Trustees, and Key Employees (list each one even if not compensated; see page 26 of the instructions.)

[illegible]

76 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ☐ Yes ☒ No
If "Yes," attach schedule—see page 26 of the instructions.

Part V Other Information (See page 27 of the instructions.)

Other Information (See page 27 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.	76	✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	✓
b	If "Yes," enter the name of the organization ▶ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct or indirect political expenditures. See line 81 instructions.	81a	0
b	Did the organization file Form 1120-POL for this year?	81b	✓
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	✓
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See Instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	✓
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	✓
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	20,621.78
b	Gross receipts, included on line 12, for public use of club facilities.	86b	16,500.00
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders.	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	✓
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ _____; section 4912 ▶ _____; section 4955 ▶ _____		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.	89b	
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization.		
90a	List the states with which a copy of this return is filed ▶ _____		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions.)	90b	0
91	The books are in care of ▶ EDWIN C. FORD, JR. Telephone no. ▶ (757) 898-4478 Located at ▶ 201 YORKVIEW ROAD, YORKTOWN, VA ZIP + 4 ▶ 23692		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ _____	92	

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

		Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount		
93	Program service revenue:					
a	POOL					762.26
b	SOCIALS & ACTIVITIES					12,285.52
c						
d						
e						
f	Medicare/Medicaid payments					
g	Fees and contracts from government agencies					
94	Membership dues and assessments					66,970.00
95	Interest on savings and temporary cash investments					1276.62
96	Dividends and interest from securities					0
97	Net rental income or (loss) from real estate:					
a	debt-financed property					
b	not debt-financed property					
98	Net rental income or (loss) from personal property					
99	Other investment income					
100	Gain or (loss) from sales of assets other than inventory					
101	Net income or (loss) from special events			26	53,822.97	
102	Gross profit or (loss) from sales of inventory					
103	Other revenue: a BLDG. RENTAL			25	1,650.00	2,475.00
b	PLER RENTAL					560.00
c	MISC					11.00
d						
e						
104	Subtotal (add columns (B), (D), and (E))					6,922.97
105	Total (add line 104, columns (B), (D), and (E))					84,334.40

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
103d	RENTAL TO COMMUNITY ORGANIZATION, - YORKTOWN FIFTH DRUM, YORKTOWN WOMEN'S CLUB, ETC
101	PAVERS TO SUPPORT POOL RENOVATIONS

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☐ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☐ No
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here: Edwin C. Jankovic Date: 5/13/03
Signature of officer

TREASURER
Type or print name and title.

Paid Preparer's Use Only: Preparer's signature: _____ Date: _____ Check if self-employed ☐ Preparer's SSN or PTIN (See Gen. Inst. W): _____
Firm's name (or yours if self-employed), address, and ZIP + 4: _____ EIN: _____ Phone no.: _____